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The Early History of Banking in Iowa. By FRED D. MERRITT, Iowa City: The University Press, 1900. 8vo, pp. viii + 150.

DURING the years since 1890, there has been a rapid increase in the volume of literature relating to money and banking. But great as has been this growth, the general character of the literature produced has by no means advanced *pari passu* with its quantity. As regards banking in particular, the quality of the discussion has been disappointing. It would seem that much the same stages in the evolution of investigations on banking must be passed through, as were characteristic of general historical writing. Looking back over the past of historical discussion, it is seen that it was long before historians were able to divert their thought from the unimportant and trivial details of mere drum-and-trumpet history to the more momentous and permanently influential factors of national life. So, in studying banking, we have been passing through a similar phase. Most banking monographs have concerned themselves—until recently at least—with faded tatters of worn out and empty debates over some forgotten and unimportant bank act passed at a distant date in some unknown region, perhaps, of Massachusetts or Alabama or Arkansas. Not until a very short time ago, was it sought by a few writers to study banking analytically and to use material relating to its history in such a way as to shed light upon points of theory and upon problems of the present. So far has the development of the earlier type of literature gone, and so familiar has it become, that the student of banking takes up a new monograph with the ever-present dread that the new work may be modeled on the older lines and that its perusal may give rise to the agony of monotony that is keener in its anguish than the stab of pain.

The period covered in this early history of banking in Iowa extends from 1836 to 1846, with short sketches of the political and economic conditions from 1846 to the constitutional convention of 1857. It includes the history of the Miner's Bank of Dubuque, the only chartered bank, and the discussion of banks in the constitutional conventions of 1844 and 1846.

Thus clearly writes Mr. Merritt concerning his own book. He should have added that the monograph contains a minute and careful account of all the legislative buncombe and journalistic rubbish with which the State of Iowa was cursed from 1836 to 1857. Yet he seems to have understood the scope of his work for he remarks: "The material for this monograph is very intractable, in many cases, for it bristles with

details which defy all attempts at condensation without consequent loss of clearness." Why not omit them altogether?

Taken in its outline, however, as a chapter in banking history, the experience of Iowa is interesting. Mr. Merritt reviews the familiar currency conditions subsequent to the attack on the second bank of the United States, and shows how the organization of the Miner's Bank was effected at Dubuque in 1836 with a charter similar to those so freely granted in other states during the ten years previous. Hardly had it been put upon its feet, when it was caught in the general crash of 1837 and in the odium which attached to all financial institutions as a consequence of the reactionary state of public opinion. It was able, nevertheless, to outlive two investigations by the legislative assembly, which revealed some doubtful operations, and to continue its existence as before. A third investigation occurred in 1838, superinduced by local prejudice, and revealed a state of things less favorable than previously. Less than 20 per cent. of outstanding notes were backed by coin. More than one fifth of the discounts had been made in favor of officers and directors. Deposits were very limited. Notwithstanding this showing, the bank was not disturbed. During the early part of 1841, specie payments were suspended by the Miner's Bank. Various efforts to charter other banks had previously been made and more or less opposition to the institution had now and then appeared. In view of these circumstances, the fourth legislative assembly, during the session 1841-2, undertook a much more elaborate investigation into the affairs of the institution, but, like its predecessors, this enquiry resulted in nothing. Shortly after its conclusion, the bank resumed specie payments (April 19, 1844), and from that date on, the institution constantly met its obligations in coin. The opposition to the prevailing system of banking, however, bore fruit in the Constitution of 1844, which contained various provisions against banks. Not much later, a charter for a stock-bank was requested by sundry citizens, and it was decided to repeal the charter of the Miner's Bank. A bill to that effect was passed, and, in 1849, the affairs of the institution were closed. The constitutional convention of 1857 made provision for a state bank with branches and for a general free banking law. No banks were organized under the latter, but in 1850 a state bank was established.

Mr. Merritt gives no connected statistics and but few bank statements, and it is this omission which deprives his monograph of much

of the value it might possess. Beyond the bare knowledge that the Miner's Bank was a bank of the usual type with but very few deposits, a relatively large volume of notes and, often, little specie, hardly anything can be said of its nature or influence.

The style of the monograph is bad in many places and is always clumsy. One or two examples will suffice. On page 17, Mr. Merritt remarks: "This newspaper war was followed up by flooding the legislature with affidavits and statements both for and against the financial condition of the bank." And again (p. 57) "Kirkpatrick of Jackson followed with a written speech filled to repletion with party politics, and blows at the democracy of those that were supporting the bank at this time."

Despite its faulty conception and execution, the monograph seems to be painstaking and accurate.

H. PARKER WILLIS.

Clearing Houses: Their History, Methods, and Administration. By JAMES G. CANNON. New York: D. Appleton & Co., 1900. 8vo, pp. xiv + 383.

MR. CANNON, who has a high reputation in the banking community, has rendered a service to students of finance by bringing together an account of the leading American clearing houses. There is no other work covering precisely this field, and the publication is likely to be useful to practical financiers by enabling them to adopt in each city where a clearing house is in operation or may be formed the best of the methods already in use. Mr. Cannon has gone to the original sources for information regarding the clearing houses of the United States, and presents many interesting facts regarding their management. The foundations of the clearing system, the manner in which it is carried on, different methods of dealing with checks, different methods of paying balances, and the issue of clearing-house loan certificates on occasions when they were needed, are all set forth with the touch of a practical financier.

The diversity in methods of settling clearing-house balances between the banks is one of the interesting subjects which Mr. Cannon discusses. There are no less than five methods of settlement which he sets forth, and still greater variety is introduced by the combination of two or more methods at different clearing houses. The five methods which